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# Shadowy witness in Iran case tied to big bankruptcy

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NEW YORK — Roy M. Furmark, the shadowy New York businessman who testified at a closed hearing of the Senate Intelligence Committee for nearly four hours yesterday about his knowledge of U.S. arms sales to Iran, was a key figure in the largest bankruptcy in Canadian history.

Furmark also joined in 1985 with Saudi billionaire Adnan Khashoggi in an unsuccessful venture to supply arms, military equipment and foodstuffs to Iran.

Federal court records in New York show that Furmark was vice chairman of the board of directors, executive vice president and treasurer of the ill-fated Newfoundland Refining Co. in Come-By-Chance, Canada, which left more than \$600 million in debts when it failed in 1976.

The collapse spawned a tangled web of lawsuits in which Furmark and his co-defendants were ultimately judged liable for more than \$50 million. Payment of the judgment was settled out of court in 1982, according to lawyers in the case.

On Wednesday, CIA Director William J. Casey told the House Foreign Affairs Committee that Furmark, a former client and apparent friend, had telephoned him Oct. 7 about the possible diversion of funds from U.S. arms sales to Iran.

Casey said that Furmark told him that unidentified Canadian businessmen were threatening to sue to recover \$10 million they said they were owed for providing money for the Iran arms deal.

He said such a lawsuit could have revealed U.S. involvement in the deal, and jeopardized chances of winning release of Americans held hostage in Lebanon by pro-Iranian extremists.

Furmark, a tall, heavy-set man in his 50s with a salt-and-pepper goatee, ran from reporters after his appearance on Capitol Hill yesterday. That was in keeping with a man noted for privacy. He has not put his or his energy consulting company's name on the dark frosted-glass door of the Furmark Corp. offices in mid-Manhattan. The offices were closed yesterday.

"He's a cemetery," said one business associate. "He doesn't tell me anything about what he does."

The associate, who answered Furmark's phone calls yesterday but declined to identify himself, said he and Furmark had been in "the oil business" together since 1978. He said Furmark is in the "oil and gas business" and "has oil wells all over."

Court records show Furmark was also a ranking officer in several other companies owned by John M. Shaheen, a flamboyant New York financier and oilman who died in November 1985. Shaheen had worked with Casey in the World War II Office of Strategic Services.

The Clarkson Company Ltd. of Toronto, trustees in bankruptcy for the Come-By-Chance refinery, sued Shaheen, Furmark, three other individuals and three companies to recover more than \$51 million apparently lent to Shaheen and six of his companies by the refinery. Furmark was an officer and director in each of the six companies, according to court records.

The refinery, built by Shaheen in cooperation with Newfoundland's provincial government to turn out 100,000 barrels a day, closed after two years operation. It was Canada's largest bankruptcy.